



JOY HOFMEISTER  
STATE SUPERINTENDENT *of* PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT *of* EDUCATION

June 28, 2019

**VIA E-MAIL ONLY**

Craig Wall  
Superintendent, Swink Public School  
Post Office Box 73  
Swink, OK 74761  
[cwall@vpsd.org](mailto:cwall@vpsd.org)

Re: Swink Public School, Elementary  
School District No. C-021, Choctaw County  
(the "District")

Mr. Wall,

As you are aware, on June 12, 2019, correspondence was sent to the District, which in part provided timely notice that the Oklahoma State Department of Education (the "OSDE") would be recommending that the State Board of Education (the "Board") mandatorily annex the District at its June 27, 2019, meeting. *See* Letter, attached as Exhibit "1." This correspondence is provided as formal notice of the actions of the Board at its June 27, 2019, meeting. However, prior to doing so, an overview of the issues currently facing the District is in order. To be clear, neither the OSDE nor the Board takes these matters lightly, but unfortunately, due to the circumstances and facts set forth herein, this situation must be discussed, reviewed, and considered for possible action as warranted.

As set forth in the June 12 correspondence, the District is currently without the basic tenets of a functional, maintained, and operational public school. As a result of these issues of non-compliance, at this time, the OSDE is unable to recommend the continued accreditation of the District, and if not corrected in a timely fashion as set forth herein, the District will be unable to maintain a public school. As an initial matter that immediately threatens continued accreditation, operations and functioning of the District, there is currently an absence of all of the following **(required)** positions:

1. School Board<sup>1</sup>;
2. Superintendent<sup>2</sup>;
3. Principal<sup>3</sup>;
4. Treasurer<sup>4</sup>;
5. Clerk<sup>5</sup>; and
6. Teachers - Five of the District's eleven teachers have resigned, and of the remaining six, two are part-time.

Further, it is apparent from a review of the District's fund balances as made available to the OSDE that the District's General Fund balance is among the lowest in Oklahoma. In fact, as set forth below, at times the District has expended more than was received in a given fiscal year, further contributing to the depleting General Fund balance.

<b>Year</b>	<b>Appropriation</b>	<b>Expenditure</b>	<b>General Fund Balance</b>
<b>June 30, 2015</b>	\$1,525,648	\$1,509,708	\$240,860
<b>June 30, 2016</b>	\$1,408,321	\$1,343,134	\$302,950
<b>June 30, 2017</b>	\$1,533,337	\$1,504,631	\$336,486
<b>June 30, 2018</b>	\$1,391,783	\$1,637,077	\$207, 650
<b>May 31, 2019</b>			\$151,265

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<sup>1</sup> See, generally 70 O.S. § 5-101, *et seq.*, defining the roles and responsibilities of a board of education, including but not limited to: 1) maintaining and operating a public school; 2) approving a budget and expending public funds; 3) insuring the District and its employees; 4) contracting with personnel; 5) conducting public meetings in a transparent manner; 6) submitting required reports to state and federal entities; and 7) ensuring compliance with applicable laws. Further, the school board of education must ensure compliance with matters affecting the health, safety, and welfare of students, to include civil rights, criminal history background checks for employees and those working with or near students, bus driver safety, services to students with disabilities, and school safety. In the instant matter, on June 11, two of the three members of the District's board of education, including the President, resigned, effective immediately. See June 12 correspondence, Exhibit "A." As a result, without an existing governing board, the District is not able to perform any of the aforementioned required duties, responsibilities, and/or functions.

<sup>2</sup> See 70 O.S. § 5-106; Oklahoma Administrative Code (OAC) 210:10-1-7; OAC 210:35-3-46, providing that the superintendent of the District is responsible for serving as the chief executive officer of the school board, implementing and carrying out District policies and performing administrative functions of the school board.

<sup>3</sup> See OAC 210:35-3-46, providing that the principal is responsible for serving as the instructional and non-instructional leadership for the school site(s), to include but not limited to resource allocation and coordination, staff evaluations, and promotion and retention recommendations.

<sup>4</sup> See 70 O.S. § 5-115 and § 5-183, providing in part that the Treasurer serves in the role of an accountant for the District, responsible for the District's accounts and funds, including but not limited to the General Fund, Building Fund, and Sinking Fund. Further, the Treasurer is responsible for signing and registering warrants and checks, and providing regular reports to the board of education relating to the financial condition of the District.

<sup>5</sup> See 70 O.S. § 5-122 and § 5-135, providing in part that the Clerk is responsible for District encumbrances and purchase orders, as well as maintaining and ensuring ledgers are sufficient in appropriated amounts and balances.

Upon information and belief, the District has not encumbered funding for the month of July 2019. Without a quorum of the governing board of education, the District is also not able to take action to encumber said funding on a go-forward basis. Further, the District is likely to have a negative balance or will run out of funding by August 2019 if not sooner. Even more troubling, the District's requests for a line of credit to use non-payable warrants have been denied by local financial institutions. *See* June 12<sup>th</sup> correspondence.

Against this backdrop of facts, the OSDE recommended mandatory annexation of the District, effective June 30, 2019. Importantly, any action taken by June 30 would have ensured that eligible and qualified employees would have been able to receive severance pay after September 1, 2019. *See* OAC 210:1-3-2. However, should an annexation occur later, otherwise eligible and qualified employees would not be able to receive severance pay until at least July 1, 2020. *Id.* Further, the OSDE's recommendation was consistent with its (and the Board's) oversight responsibilities in applicable laws and regulations, and in an effort to minimize impacts of any annexation on students and families before the beginning of the upcoming school year.

Despite these concerns, from and since the time of the June 12 correspondence, the OSDE received requests from several Swink patrons and their legislative representative for additional time to find a legal mechanism to correct the deficiencies related to applicable laws and regulations, including but not limited to lawful membership of the District's board of education. Stated otherwise, as a part of and in order to legally conduct business and perform its statutory obligations, the District must have a quorum of a legally seated board of education.

With these requests in mind, in an effort to provide the opportunity to correct all of the deficiencies identified in the June 12 correspondence and again set forth below, while minimizing disruptions to students, families, and District personnel who remain employed, and while exercising its required oversight and supervision responsibilities, the OSDE made the following recommendations to the Board at its meeting yesterday, Thursday, June 27, 2019:

1. On or by July 10, 2019, the District must provide satisfactory evidence to the OSDE of its compliance with applicable laws and regulations, including but not limited to the deficiencies identified in the June 12 correspondence (again set forth below);
2. As soon as possible, but no later than July 8, 2019 the District must provide the OSDE with the following document and reports:
  - a. From July 1, 2018, to present, bank statements evidencing and pertaining to the District's General Fund, Building Fund, Sinking Fund, and Activity Fund;
  - b. From July 1, 2018, to present, Estimate of Needs, account ledgers, account software records, and Treasurer's Reports for the District's General Fund, Building Fund, Sinking Fund, and Activity Fund; and
  - c. From July 1, 2018, to present, School Personnel reports evidencing employees, collective totals and individually by job title, salary, promotions, demotions, terminations, and resignations.
3. The District's accreditation status and possible annexation of the District be considered on or by July 25, 2019.

I am writing to provide you with notice that the Board unanimously approved the aforementioned recommendations at its June 27 meeting. As a result, I respectfully request that you contact me as soon as possible so that arrangements can be made for the timely delivery and provision of the required documents and records. Further, I respectfully request that you advise me of any action taken to correct the currently existing deficiencies set forth herein.

If you have questions or wish to further discuss these matters, please do not hesitate to contact me at (405) 522-3274 or [Brad.Clark@sde.ok.gov](mailto:Brad.Clark@sde.ok.gov).

Sincerely,



Brad S. Clark  
General Counsel

cc: The Honorable Joy Hofmeister,  
State Superintendent of Public Instruction  
The Honorable J.J. Humphrey  
State Representative, District 19  
Lewis Collins, Member, District Board of Education  
Choctaw County Commissioners  
Regional Accreditation Officer, OSDE

## Brad Clark

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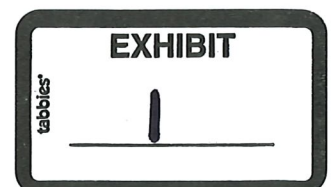
**From:** Brad Clark  
**Sent:** Wednesday, June 12, 2019 4:49 PM  
**To:** cwall@vpsd.org  
**Cc:** Joy L. Hofmeister  
**Subject:** Mandatory Annexation - Swink Public School  
**Attachments:** 20190612163800039.pdf

Superintendent,

Attached, please find correspondence dated today relating to the upcoming June 27, 2019, State Board of Education meeting and the recommendation for consideration and possible action to mandatorily annex Swink Public School.

As always, if you have any questions or want to further discuss this matter, please do not hesitate to contact me.

Brad Clark  
General Counsel, Oklahoma State Board of Education  
[Brad.Clark@sde.ok.gov](mailto:Brad.Clark@sde.ok.gov)  
2500 North Lincoln Boulevard, Suite 119  
Oklahoma City, Oklahoma 73105  
Office: 405-522-3274  
Cell: 405-420-4318









JOY HOFMEISTER  
STATE SUPERINTENDENT of PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT of EDUCATION

June 11, 2019

**VIA E-MAIL ONLY**

Craig Wall  
Superintendent, Swink Public School  
Post Office Box 73  
Swink, OK 74761  
[cwall@vpsd.org](mailto:cwall@vpsd.org)

Re: Consideration of Mandatory  
Annexation

Mr. Wall,

I am writing to notify you, in your capacity as Superintendent of Swink Public School, Elementary School District No. C-021 of Choctaw County, Oklahoma (the "District"), that the State Board of Education (the "Board") will consider at its June 27, 2019, meeting the possible mandatory annexation of the District. The June 27<sup>th</sup> meeting will commence at 9:30 a.m., at the Oliver Hodge Building, 2500 North Lincoln Boulevard, Room 1-20, Oklahoma City, Oklahoma.

Oklahoma law, at 70 O.S. § 7-101.1 provides that when a recommendation for mandatory annexation is made, written notice must be provided to the board of education of the school district, and said district may then request an opportunity to appear before the Board. *See* 70 O.S. § 7-101.1. As such, this letter shall serve as official notice that the Board will consider the mandatory annexation of the District at its June 27<sup>th</sup> meeting, and that within fifteen (15) days of receiving this correspondence, the District may request the opportunity to appear before the Board to address these matters.

State law authorizes the Board to promulgate rules and regulations regarding procedures to accomplish mandatory annexation. *See* 70 O.S. § 7-101.1. At Oklahoma Administrative Code ("OAC") 210:1-3-2, the administrative rules provide that mandatory annexation will be considered by the Board in the following situations:

1. When a school district has been declared academically at-risk under the statewide system of accountability pursuant to 70 O.S. §§ 1210.541-545;
2. When a school district is non-accredited by the Board;
3. When a district fails to open or maintain a school, except when situations beyond the control of the district cause a normal delay.

Currently, the Oklahoma State Department of Education (the “OSDE”) has been made aware of facts and circumstances that may lead to the District’s accreditation being withdrawn. Further, the OSDE believes that the District is in imminent danger of not being able to open or maintain school operations. More specifically, in part, the OSDE is in possession of the following information:

1. Two of the three members of the District’s board of education, including the President, resigned at the June 11, 2019 meeting. *See* Resignation Letters, attached as Exhibit “A;” In the President’s resignation, she states that the District’s responsibilities

“do not align in any way that promotes morals, ethics, and in some cases legalities. Furthermore, the current situation has morphed into a focus on power and politics from the community and entirely forgotten are the kids and whether they receive a quality education or not.” *Id.*

2. There exists a lack of harmony among the District and the community, with such conditions affecting the quality and effectiveness of instruction and/or climate at the District.<sup>1</sup> *See* Exhibit A; *see also* District Agenda and Minutes, dated May 14, 2019, at Superintendent’s Report, ¶¶ 3 and 5; *see also* District Agenda and Minutes, dated February 12, 2019, and District Agenda and Minutes, dated December 11, 2018, attached as Exhibit “B;”
3. The District will be without a superintendent as of June 30, 2019, and without a quorum of the District’s governing board will not be able to take action to retain a superintendent;
4. The District has not encumbered funding for the month of July 2019, and without a quorum of the governing board of education will not be able to take further action to encumber said funding on a go forward basis; and,
5. The District is likely to have a negative balance or will run out of funding by August 2019, if not sooner, and making matters worse the District’s requests for a line of credit to use non-payable warrants have been denied by local financial institutions. *See* District Agendas and Minutes, dated April 9, 2019, ¶ 3 and March 12, 2019, ¶ 8, attached as Exhibit “C.”

As you are presumably aware, on at least one other occasion, the District has previously appeared before the Board to address matters of concern relating to finances, including but not limited to deficiencies in internal controls and fraud. *See* Board Memorandum, dated October 30, 2015, attached as Exhibit “D.”

In light of the foregoing, I respectfully request that, in accordance with the enclosed statute and administrative rules, you notify me within fifteen (15) days of the date of this correspondence of the District’s request to appear before the State Board of Education at its June 27, 2019, meeting. Should the District choose not to request an opportunity to address the Board, mandatory annexation of the school district will proceed without delay.

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<sup>1</sup> Upon information and belief, at a recent election to consider the possible consolidation of the District with Valliant Public Schools, individuals in the community made and/or received threats relating to public property and persons resulting in the filing of police reports.



If you have any questions or would like to further discuss these matters, please do not hesitate to contact me.

Sincerely,



Brad S. Clark  
General Counsel

cc: The Honorable Joy Hofmeister,  
State Superintendent of Public Instruction

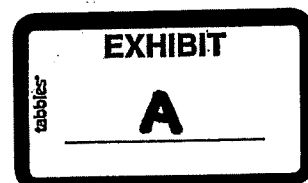


My grandmother was a lifelong educator and I learned from her the importance of a quality education. Since I'm not a teacher, I was so privileged and excited to be appointed to the Swink School Board last year in April. In my oath that I swore to put the needs of the school and the kids first above all else, and it was my honor to do so. The school board must fashion a quality educational program to prepare the kids for an unpredictable future, decide complex issues of policy and principal, and oversee the prudent management of the school facility. The board must do all of this by meeting the wishes of the public.

Currently these two responsibilities do not align in any way that promotes morals, ethics, and in some cases legalities. Furthermore, the current situation has morphed into a focus on power and politics from the community and entirely forgotten the kids and whether they receive a quality education or not. Shame on everyone of you that has turned this into a political area for your pride and ego.

I refuse to sell out the kids and their education for greed, pride in heritage, power and or political gain and will not participate in immoral, unethical, and illegal activities that many wish to take place by either me participating in it actively or by me looking the other way. With that being said, I feel that I can no longer effectively play the role that I swore to do and as such I submit my resignation not only as the President of the Swink School Board of Education, but my seat on the board entirely, effectively immediately.

*K. Purvey*  
6-11-19



I would like to notify the Swink school district that I am resigning from my seat as a Swink school board member immediately as of June 11, 2017. This school and town are both my home and I hold a dear love for both. I wish the best for Swink school and its future.

A handwritten signature in cursive script, reading "Charles Tillman". The signature is written in dark ink and includes a long horizontal flourish extending to the right.

Charles Tillman

# SWINK SCHOOL BOARD OF EDUCATION

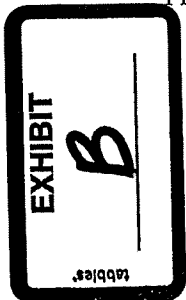
## Regular Meeting

Tuesday May 14, 2019

7:00 p.m.

Swink School Cafeteria-upper level

1. Call to Order
2. Roll call to establish quorum
3. Superintendent's Report
4. Principal's Report
5. Proposed executive Session pursuant to 25 O.S. Section 307 (B)(1) of the Open Meeting Act to the resignations of Craig Wall-Superintendent of Schools , Amy Keeton-Smith-Business Manager and any resignations received since the posting of the agenda and the employment of 2 Summer Food Service Workers.
6. Vote to convene or not convene in executive session.
7. Statement by the Board President of Executive Session Minutes to acknowledge the return to open session.
8. Vote to accept or not accept resignations submitted.
9. Discussion with possible vote to employ, not employ or table employment of 2 Summer Food Service Workers.
10. Presentation of Superintendent's recommendation concerning re-employment of certified staff listed on "Schedule A".
  - a. Vote to re-employ, not re-employ or table the re-employment of certified staff listed on "Schedule A" for the 2019-2020 school year.
  - b. Vote to direct Superintendent to deliver all appropriate notices, as required by law, to the certified staff recommended for non-reemployment, if any.
11. Presentation of Superintendent's recommendation concerning re-employment of support staff listed on "Schedule B".
  - a. Vote to re-employ, not re-employ or table the re-employment of support staff listed on "Schedule B" for the 2019-2020 school year.
  - b. Vote to direct Superintendent to deliver all appropriate notices, as required by law, to the support staff recommended for non-reemployment, if any.



12. Discussion with possible vote to approve, not approve or table the contract for Municipal Accounting Systems, Inc for 2019-2020.
13. Discussion with possible vote to approve, not approve or table the policy FFAEA- Concussion and Head Injury.
14. Discussion with possible vote to approve, not approve or table the Student and Staff Handbook for the 2019-2020 school year.
15. Discussion with possible vote to approve, not approve or table the Activity Fund Revenue & Expenditure Guidelines for the 2019-2020 school year.
16. Consent Agenda

All of the following items which concern reports and items of a routine nature normally approved at board meetings will be approved by one vote unless any board member desires to have a separate vote to any or all of the items. The consent agenda consists of the discussion, consideration and approval of the following items.

- a) Minutes of April 9, 2019 Regular Board Meeting
- b) Minutes of the April 16, 2019 Special Meeting
- c) Minutes of the May 7, 2019 Special Meeting
- d) April 2019 Treasurer's Report
- e) April 2019 Activity Fund Financial Statement
- f) Purchase Orders, Payments, and Change Orders presented to the Board
- g) Rehire Amy Harrison as Director of Boys and Girls Club
- h) Rehire Bradley Archer for Summer Boys and Girls Club
- i) Hire Allison Priddy for Summer Boys and Girls Club

12. New Business

13. Adjourn

*Marina Davis*  
*Minutes Clerk*  
*5-9-19 @ 2:53 P.M.*



Superintendent's Report  
May 14, 2019

1. This is one of the busiest periods of time in school. Trying to get everything wrapped up, kids home for the summer and everyone Graduated is exhaustive. Teachers and Staff have done an outstanding job preparing for and getting us to this point.

2. I was pleased to be able to attend Coach Jackman's "Banner Day" celebration this week. I am pleased at all the success Swink experienced this year in Basketball and Track. It will always be special to me to see the banners hanging in the gym to celebrate this special group of kids, and I am certain that it will be special to them.


3. We will be dealing with a number of resignations tonight I am told. We will discuss that matter as we come to it on the agenda.

4. We have been working very hard recently to get all the federal programs reimbursements filed. This has been rather difficult as it is very hard to track spending from previous years and make sure we are meeting all the needs. Nonetheless, we are close to having all those monies filed for. Federal money is simply flow through money in most cases. You spend the money and file for reimbursement.

5. Thank goodness this election mess is over. I want to say that regardless of the outcome that I am truly disappointed in the behavior and tactics that some have exhibited. I will not elaborate, but I will say that personal attacks, threats, and outright lies go way beyond what should be acceptable and what was accepted. This was not a political issue. This issue was always about what was best for the kids at Swink School and nowhere else.

6. Swink students are attending the Posse Program at Valliant this Summer. They will start this next week and have been doing diagnostic testing here at Swink this week in preparation for the program. Posse provides students in grades K-3 enrichment learning activities for a six-week period through the end of June. Students are able to take part in the Summer Feeding Program at Valliant absolutely free of charge while enrolled in the course. There are about 15 kids from Swink participating in the Posse Program and Mary Maxwell is participating as a teacher at Valliant.

7. Swink will also be providing Summer Feeding for students that attend and participated in the Boys and Girls Club this summer.

 We learned recently that Swink Schools will no longer be eligible to participate in the Community Eligibility Program that has provided free and reduced lunches to students over the

past several years. Eligibility in that program is primarily determined by the percentage of students that qualify for services in what is known as Direct Certification. This basically means that the student is directly enrolled in a state run assistance program of some kind. Generally, the program requires about 40% of the kids to be eligible to participate. This year, our numbers have fallen to around 20% eligible. As a result, we will have to return to a paid lunch program for 2019-20.

7. We had submitted financial documents to Security First in Hugo about 2 weeks ago. However, they have chosen to be noncommittal until after the results of the election were known. Perhaps there will clarity soon.

# **SWINK SCHOOL BOARD OF EDUCATION**

## **Regular Meeting**

*Tuesday February 12, 2019*

*6:00 p.m.*

*Board Room Swink Administration Office*

1. Call to Order and recording of members present and absent.
2. Superintendent's Report
3. Principal's Report
4. Proposed Executive Session pursuant to 25 O.S. Section 307 (b)(1) of the Open Meeting Act to interview a candidate to fill Swink Board of Education Seat #3.
5. Vote to convene or not convene in Executive Session.
6. Statement by Board President of Executive Session Minutes to acknowledge the return of the Board to Open Session.
7. Discussion and possible vote to appoint, not appoint, or table appointment of a candidate to Swink Board of Education Seat #3.
8. Administer the Oath of Office for the appointed candidate for Swink School Board Seat #3.
9. Discussion and possible vote to approve, not approve, or table a letter notifying the Oklahoma State Department of Education that Swink Public Schools has adopted a 1080 hour school calendar for the 2018-19 school year.
10. Presentation of information concerning the options for the continued operation of the Swink Public School District by Craig Wall, Supt.
11. Discussion and possible vote to approve, not to approve or table a Letter of Engagement with Bryan Drummond of Rosentsein Fist and Ringold, Tulsa, OK.
12. Discussion and possible vote to approve or not approve a Joint Annexation Resolution to annex the Swink School District to the Valliant School District, which Resolution will authorize and direct the State Superintendent of Schools to call an election of the voters of the Swink School District to approve or reject such proposed annexation.
13. Discussion and possible vote to set a Special Meeting for the approval of minutes from the February 12, 2019 meeting.



## **Superintendent Report**

**February 12, 2019**

### **Informational Items:**

1. The elephant in the room can no longer be ignored. It is without question the most difficult issue that I have faced in my career as an administrator, and I sincerely feel for the position that you find yourselves in as board members. We are forced to make a decision concerning the future of our district, and most importantly we have to remember that whatever we do, we have to make the best decision for our children and their education. It is unfortunate that we are here, because I sincerely believe that this may have been avoided. However, the past is the past and we are faced with the here and now and where we will be going forward. I will be making a presentation to you tonight to outline the major issues so that you may have as much information as possible before you make any decision.
2. Employment of personnel. I have intentionally delayed the process of employing personnel for 2019-20 until some clarity could be reached concerning our future. Normally, January is the month to employ the Supt. and February is the month to employ the Principal.
3. I traveled to Frink Chambers last week to watch both our Boys and Girls teams compete in the playoffs. I am very proud of the way our teams competed and represented us as Swink Wildcats. Unfortunately, the girls ended their season last week, but our boys are still alive and have a chance to go to State. I want to congratulate all the boys and girls that played basketball this year on all our teams. I truly am proud of you. I also want to congratulate the girls in cheer for all their support. I want to congratulate and thank Coach Jackman and Mrs. Nelson for the job they have done with our teams. Good luck and Go Wildcats!
4. The legislature is now in session. I am very apprehensive about this year and the legislation that is up for consideration. As some of the legislation comes to light, I have not seen any legislation that looks truly positive. Although there has been some discussion of teacher raises and additional funding, I am not optimistic that we will see anything significant. There has also begun to be some discussion of the potential for another walkout this spring. We have seen some legislation that would make such walkouts and board support of them illegal. I think this is retribution to what we saw last year, and I am worried that a walkout this year will not be received well by anyone. I am aware that the Swink teachers did not participate in the walkout last year and I want to congratulate you on that. I think that was truly a wise decision and no one should blame you for being here every day for our kids.

### **Agenda Items**

1. Call to Order
2. Superintendent's Report
3. Principal's Report

4. Executive Session – We will be interviewing a possible candidate for appointment to the Board of Education in Seat 3 which is currently vacant. I have been given a name of an individual that may be interested in serving on the Board. I am hopeful to have someone here that we could visit with and would be interested in serving.
5. Vote to convene or not convene in executive session.
6. Statement by the Board President of Executive Session Minutes.
7. Appointing a candidate to fill Seat 3.
8. Administer Oath of Office.
9. Approval of 1080 hour letter. This is a letter notifying the State Department that we are using a 1080 hour calendar rather than the 180 day calendar. We adopted the worksheet and August and this is a formality to satisfy Accreditation requirements.
10. Presentation by the Supt concerning options related to annexation to another school district, and continuing as an Elementary School District.
11. Approval of a letter of engagement. Bryan Drummond is an attorney with RFR in Tulsa. I work with Bryan on a regular basis with Valliant Schools and he has agreed to help us as we move through the process. I have asked him to prepare some documents in case we decide to move in a specific direction.
12. Discussion and possible vote to approve or not approve a Joint Annexation Resolution to annex the Swink School District to the Valliant School District, which Resolution will authorize and direct the State Supt. of Schools to call an election of the voters of the Swink School District to approve or reject such proposed annexation. I will not be making a public recommendation concerning this item. Your choices here would be to
  - a) Approve the resolution which will begin the annexation process to Valliant.
  - b) Not approve the resolution which will allow you to continue as a school district; or
  - c) Not approve the resolution which would allow you to possibly annex to another district.
13. Discussion and possible vote to set a Special Meeting for the approval of minutes for the February 12 board meeting.
14. Consent Agenda – I recommend you approve the consent agenda.
15. PO's, Warrants, and Change Orders – I recommend you approve the PO's, Warrants and Change Orders as presented.
16. New Business
17. Adjourn



# SWINK SCHOOL BOARD OF EDUCATION

## Regular Meeting

*Tuesday December 11, 2018*

*6:00 p.m.*

*Board Room Swink Administration Office*

1. Call to Order and recording of members present and absent.
2. Phone presentation of 2017-2018 audit report by Sanders, Bledsoe and Hewett.
3. Superintendent's Report
4. Principal's Report
5. Proposed Executive Session pursuant to 25 O.S. Section 307 (B) (1) of the Open Meeting Act to interview a potential candidate to fill the board seat that is currently vacant.
6. Vote to convene or not convene in executive session.
7. Statement by Board President of Executive Session Minutes to acknowledge return to open session.
8. Discussion and possible vote to appoint, not appoint, or table the appointment of a new board member.
9. Discussion and possible vote to approve, not approve, or table the following policies.
  - (a) DOCA – Reduction in Force – Certified
  - (b) DOCB – Reduction in Force – Support Personnel

### 10. Consent Agenda:

All of the following items which concern reports and items of a routine nature normally approved at board meetings, will be approved by one vote unless any board member desires to have a separate vote to any or all of the items. The consent agenda consist of the discussion, consideration and approval of the following items.

- (a) Minutes of November 13, 2018 Regular Board Meeting
  - (b) November Treasurer Report
  - (c) November Activity Fund Statement
  - (d) Form 307 Request for Approval of State and/or Federal Funds
  - (e) Form 308 Request for Approval of Local Funds to be approved by County Excise Board
  - (f) Fundraiser request for Athletics
  - (g) People Plus Contract
11. Discussion and possible vote to approve, not approve, or table Purchase Orders, Warrants, and Change Orders presented to the Board.
  12. New Business
  13. Adjourn

## Superintendent Report

Dec. 11, 2018

### Informational Items:

1. This school has a great staff and do a great job with our kids. Like any school, we have issues, but we work to rectify those issues in every way possible. The kids that attend Swink could not attend a school that cares more about them. You can feel it here in the kids and the staff. Our decisions and direction should always be focused on doing what is best for our students.
2. I want to commend Coach Jackman on all the hard work he put into the gym to make things more attractive. Spent his own time painting and putting together a really nice scorers table.
3. As you can imagine, transparency breeds questions. We have had to answer many questions concerning the status of the district since we last met. I would like to take the blame for something first and foremost. It was an oversight on my part that we did not sit down and prepare our staff better for the information that was released to the paper. For many, it was a shock to read about the struggles of their school in the newspaper over the Thanksgiving holiday. I should have talked to them first. I suspect that we will have some of our staff attend the board meeting this week, and I welcome that. They need to hear and know the truth. I wish that I had more clear answers about what we can do to make this school viable for years to come. Unfortunately, that is a difficult proposition. We could always sell off some surplus property, and we can cut spending and eliminate waste. However, selling off something is a short term fix. Eliminating waste helps but it is such a small percentage of the total budget that it doesn't help much. This is a difficult statement to hear, but financial health in a school district is based upon personnel, and especially the teaching staff. To eliminate personnel means that this board would have to make some difficult choices. It is always easier to reduce personnel through attrition and changes in the summer time. It is much more difficult to make changes during the school year. Not only does it disrupt the educational program, but it forces hardship on everyone immediately. However, I do not see a clear path to remaining viable with the same number of personnel we have currently. There are a number of options to reduce costs and we are doing what we can immediately. There will be things that we can look at both from a personnel standpoint and from a school organizational structure going forward. I have included a document from a few years ago prepared by CCOSA that was developed when schools were facing state funding cuts. You can find it in the FYI

section of the packet. Many of the ideas will not be applicable, but some are. We need to look at every idea. I will try to spend some time calculating what I think the midterm adjustment will be prior to the meeting. I am hopeful that it will give us some degree of hope. Some other issues relative to finances have come to light since we last met. We will discuss those items further as we discuss the Treasurer's report tonight.

4. I had a visit with a Hugo area newspaper editor recently which leads me to believe that in light of all that is currently occurring, wants to stir the pot again concerning the embezzlement, and subsequent in and out of court proceedings. I am not sure how I feel about that. He has made some requests for us to provide documents which may or may not be privileged communications from our attorney. I have requested clarification from our attorney before I will provide any information. I did ask him to submit a formal request in writing which I have not as yet received.

#### **Agenda Items**

1. Call to Order
2. Audit Report – Sanders, Bledsoe, and Hewett
3. Superintendent's Report
4. Principal's Report
5. Executive Session – We will be interviewing a possible candidate for appointment to the Board of Education in Seat 3 which is currently vacant.
6. Vote to convene or not convene in executive session.
7. Statement by the Board President of Executive Session Minutes.
8. Appointing a candidate to fill Seat 3.
9. Policies – I am recommending that we approve the two policies dealing with Reduction in Force. Although I am recommending that we adopt these policies, I am doing so because you do not already have these policies in place which is unfortunate because adopting these policies now will cause some unrest among our staff. I want to emphasize that this in no way means that I am recommending a RIF. However, depending upon the route you choose as a board for our future, it may become necessary.
10. Consent Agenda – I recommend you approve the consent agenda.
11. PO's, Warrants, and Change Orders – I recommend you approve the PO's, Warrants and Change Orders as presented.
12. New Business
13. Adjourn



# SWINK SCHOOL BOARD OF EDUCATION

## Regular Meeting

*Tuesday April 9, 2019*

*6:00 p.m.*

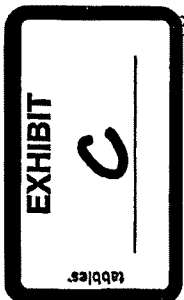
*Swink School Cafeteria-upper level*

1. Call to Order
2. Roll call to establish quorum
3. Superintendent's Report
4. Principal's Report
5. Swearing in of new school board member for seat #3, Carley Minnaar.
6. Proposed Executive Session pursuant to 25 O.S. Section 307 (B)(1) of the Open Meeting Act to discuss any resignations submitted since the posting of the agenda
7. Statement by Board President of Executive Session Minutes to acknowledge the return to open session.
8. Vote to accept or not accept resignations.
9. Discussion with possible vote to set time and place for Special Joint School Board Meeting with Valliant Board of Education.
10. Discussion with possible vote to set time and place for community meeting concerning annexation.
11. Discussion and possible vote to approve, not to approve, or table the contract for Municipal Accounting Systems, Inc for 2019-2020 fiscal school year.
12. Discussion and possible vote to approve, not approve, or table the 2019-2020 contract for Barlow Education Management Service.

### 13. Consent Agenda

All of the following items which concern reports and items of a routine nature normally approved at board meetings will be approved by one vote unless any board member desires to have a separate vote to any or all of the items. The consent agenda consists of the discussion, consideration and approval of the following items.

- a) Minutes of March 14, 2019 Regular Board Meeting



- c) February 2019 Activity Fund Financial Statement
- c) Purchase Orders, Payments, and Change Orders presented to the Board

12. New Business

13. Adjourn

*Amy Keeton*  
Business Manager



## **Superintendent's Report**

April 9, 2019

### **Informational Items:**

1. The school year is rapidly coming to a close. April is an extremely busy month around the school. Testing is underway and there are a lot of activities that happen this month.
2. I would like to welcome Carly Minnaar to the Board. She did not draw an opponent in the recent election and begins a new 3 year term. I want to thank her for making the commitment to our school.
3. Last meeting, you authorized me to present financial information to Valliant First State Bank to determine whether or not the bank would be willing to extend a line of credit to Swink Schools moving forward. The Bank has "respectfully denied." Currently, we have all our operating accounts at Valliant FSB. A line of credit will definitely be needed should the vote be to remain open as a district. I will begin making contacts to other financial institutions to assess their willingness.
4. I have been communicating with Mr. Beam concerning the plan for a RIF. After visiting with our attorney, there is a bit more groundwork that must be done prior to approval. We will need to verify the seniority lists and most importantly, we will officially notify those employees that will be affected. Additionally, we will need to have a special meeting to approve the RIF plan and set a date for due process hearings for those that may request them.
5. The annexation election has been officially set for May 14. The Ballots have been approved and we have submitted a legal description of the district to the State Department should the annexation go through. We will need to set some dates and times for several events related to the annexation tonight.

### **Agenda Items**

1. Call to Order
2. Roll Call to Establish Quorum
3. Superintendent's Report
4. Principal's Report
5. Swearing in of new school board member for seat #3. Carley Minnaar.
6. Proposed Executive Session to discuss any resignations submitted since the posting of the agenda.
7. Return to Open Session

8. Vote to accept or not accept resignations submitted. I am not aware of any resignations at this time.
9. Discussion and possible vote to set time and place for Special Joint School Board meeting with Valliant. We need to sit down and draft a resolution agreement setting the basic details for annexation should that go through..
10. Discussion and vote to set a time and place for a pre-election community meeting for the voters of the Swink district to discuss annexation.
11. Discussion and possible vote to approve contract with MAS Inc. for 2019-20 school year. There are a lot of details with this contract. I think it would be wise to delay acting on this contract until at least May.
12. Discussion and possible vote to approve or table a 2019-20 contract for Barlow. I am uncertain that we really need to do this for next year. We spend about 7000 per year for these services and I'm not sure we really need it. I would recommend we table this at this time.
13. Consent Agenda – I recommend you approve the consent agenda.
14. PO's, Warrants, and Change Orders – I recommend you approve the PO's, Warrants and Change Orders as presented.
15. New Business
16. Adjourn

# SWINK SCHOOL BOARD OF EDUCATION

## Regular Meeting

*Tuesday March 12, 2019*

*6:00 p.m.*

*Board Room Swink Administration Office*

1. Call to Order and recording of members present and absent.
2. Superintendent's Report
3. Principal's Report
4. Discussion and possible vote to approve, not to approve, or table the contract and memorandum of understanding with Little Dixie Community Action Agency for Head Start Services for 2019-2020 school year.
5. Discussion and possible vote to approve, not approve, or table the 2018-2019 audit contract and engagement letter with Sanders Bledsoe and Hewitt.
6. Discussion and possible vote to authorize, not authorize, or table the Board President casting a "YES" vote for the election of Dr. John Cox, Superintendent of Peggs Public School for position on the Board of Trustees for OSAG (Oklahoma School Assurance Group).
7. Discussion and possible vote to authorize, not authorize, or table allowing the superintendent to develop a District-Wide Reduction in Force Plan for the 2019-2020 school year.
8. Discussion and possible vote to approve, not to approve, or table presenting financial documents to First State Bank-Valliant to assess the possibility of granting a line of credit for the 2019-2020 school year.
9. Discussion with vote to appoint, not to appoint or table the appointment of Deputy Activity Fund Custodian, a Deputy Treasurer and a Deputy Encumbrance Clerk for the remaining 2018-2019 school year.
10. Discussion with vote to approve, not to approve or table signatures for the Activity Fund Check Account with First State Bank-Valliant for the remaining 2018-2019 school year.
11. Consent Agenda

All of the following items which concern reports and items of a routine nature normally approved at board meetings, will be approved by one vote unless any board member desires to have a separate vote to any or all of the items. The consent agenda consists of the discussion, consideration and approval of the following items.

- a) Minutes of February 18, 2019 Special Board Meeting
- b) Minutes of February 26, 2019 Special Board Meeting
- c) Treasurer's Report
- d) Purchase Orders, Payments, and Change Orders presented to the Board

12. New Business

13. Adjourn

*Marina Davis*  
*minutes clerk*



## Agenda Items

1. Call to Order
2. Superintendent's Report
3. Principal's Report
4. Discussion and possible vote on Little Dixie Head Start contract for the 2019-20 school year. Regardless of the outcome of the election, there will be a need for Little Dixie to provide Head Start services for next year. Right now, we have 8 students that attend the 3 year old program. We are paying Little Dixie for services for those students that are above the income eligibility guidelines for Head Start. This fee has been \$3550 per student. As long as we are able to enroll enough students that qualify for services under IDEA, this partnership makes sense. I recommend you approve this contract for 2019-20.
5. Discussion and possible vote to approve the Audit Contract for Sanders, Bledsoe, and Hewitt for the annual compliance audit. We are required by law each year to perform a compliance audit. We have been affiliated with SBH for many years and are comfortable and pleased with their services. I recommend you approve this contract.
6. Discussion and possible vote to elect John Cox to the OSAG Board. OSAG is our partner for Workmen's Compensation. John Cox has been nominated to serve on the Board, but that nomination has to be approved by a majority of the member schools. Therefore you are being asked to approve or not approve his nomination. I have known John Cox for quite some time and believe he would be a good board member.
7. Discussion and possible vote to authorize the Supt to develop a RIF plan. I am asking you to allow me while working with Mr. Beam to develop a RIF plan for the 2019-20 school year. This plan will assume that Swink School is continuing as a stand-alone district. As we do that over the next month, we will be verifying seniority lists and other factors. The RIF will be based on need and financial factors for continuing. We will try to have recommendations for the RIF for Board Approval at the April meeting.
8. Discussion and possible vote to authorize the Supt to release financial documents to First State Bank Valliant in order to allow the bank to assess their willingness to grant a line of credit for the 2019-20 school year. I have previously spoken with executives of the bank, and they had expressed concern about the financial stability of the district. I think it will due diligence however to submit the documentation so that they may make an accurate assessment.
9. Discussion and possible vote to appoint the following positions for the financial management of the district for the remainder of the school year.
  - a. Deputy Activity Fund Custodian – Marina Davis
  - b. Deputy Treasurer – Craig Wall
  - c. Deputy Encumbrance Clerk – Marina Davis

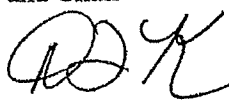
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10. Discussion with vote to approve placing Craig Wall, Marina Davis, and Liz Cowell as signatories on the Activity Fund Checking Account with First State Bank Valliant.
  11. Consent Agenda – I recommend you approve the consent agenda.
  12. PO's, Warrants, and Change Orders – I recommend you approve the PO's, Warrants and Change Orders as presented.
  13. New Business
  14. Adjourn





JOY HOFMEISTER  
STATE SUPERINTENDENT OF PUBLIC INSTRUCTION  
OKLAHOMA STATE DEPARTMENT OF EDUCATION

**MEMO**

To: Joy Hofmeister, State Superintendent and Chair  
State Board of Education  
From: David L. Kinney, General Counsel   
State Department of Education  
In Re: Swink Dependent School District No. C-21  
Date: October 30, 2015

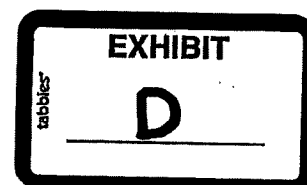
Over the last several months, Oklahoma State Department of Education ("OSDE") staff and I have reviewed the *Financial Statements-Statutory Basis and Reports of Independent Auditor* of Swink Dependent School District No. C-21, Choctaw County, Oklahoma, dated June 30, 2015. Our review has included discussions with Gary Jones, State Auditor and Inspector for the State of Oklahoma and the Oklahoma Accountancy Board.

The audit was performed by Sanders, Bledsoe & Hewett, Certified Public Accountants, LLP of Broken Arrow, Oklahoma. A summary of the Auditor's Results is found on page 11 of the audit:

1. An adverse opinion was issued on the financial statements with respect to the regulatory basis of accounting prescribed.
2. The audit disclosed a significant deficiency in the internal controls over financial reporting, 2015-1, which was a material weakness.
3. The audit disclosed a material instances of noncompliance that is required to be reported under Government Auditing Standards described below as Item 2015-1. (Complete copy of audit is attached to this memorandum).

Note 15-1 titled "Misappropriation of Assets" outlines several instances of fraud by the treasurer and encumbrance clerk, including:

- a) Altering 29 school district checks over 4 fiscal years in the amount of \$36,688.57 (page 12)
- b) Improper travel requests over 4 fiscal years in the amount of \$64,951.80 (pages 12-13)
- c) Unapproved fuel charge cards over 5 fiscal years in the amount of \$89,304.88 (page 13)
- d) Unauthorized purchases over 5 fiscal years in the amount of \$44,051.48 (pages 13-14)



Total questioned costs over 5 fiscal years totaled \$234,996.73. (page 14). The school district responded in the audit that the encumbrance clerk and treasurer were suspended with pay pending further investigation and termination hearings. Also law enforcement had been notified and were conducting their own investigation. (page 15).

Sanders, Bledsoe & Hewett, Certified Public Accountants performed annual audits of the Swink School Districts since at least the 2010-11 fiscal years. These past audits did not discover this fraud and the audits had the following language in the reports:

"The audit disclosed no significant deficiencies in the internal controls over financial reporting, none of which were considered to be material weaknesses." (2013-14 audit, page 10; 2012-13 audit, page 10; 2011-12 audit, page 10; 2010-11 audit, page 10).

Under the Oklahoma Public School Audit Law, "The State Board of Education may make inquiries it deems necessary to determine that each district board of education is properly complying with the Oklahoma Public School Audit Law." 70 O.S. § 22-108(D). "All accounting systems and procedures used by the school districts of the State of Oklahoma shall conform with the accounting systems and procedures prescribed by the State Board of Education." 70 O.S. § 22-113. "All further payments of state aid for each district shall be withheld until the provisions of this article [Oklahoma Public School Audit Law] have been fulfilled by said district." 70 O.S. § 22-112.

Board Rules provide "The State Board of Education shall examine each audit report and demand corrections of any existing deficiencies. It is mandatory that State Aid payments be withheld during noncompliance with the 'School Audit Law' at 70 O.S. § 22-101 et. seq." 210:25-5-5 (a). "The State Board of Education may make inquiries and request additional documentation and response related to exceptions, recommendations or comments noted by an auditor." 210:25-5-5(e)(4).

It is my recommendation that the President of the Swink Board of Education, the Superintendent of Swink school, and any additional employees with knowledge of this matter appear before the State Board of Education to explain how this fraud happened, what corrective action has been taken, and what preventive measures have been implemented to prevent future occurrences. I also recommend that the auditing firm also attend this meeting to answer questions from the State Board of Education.



# OKLAHOMA

## State Courts Network

### Oklahoma Statutes Citationized

#### Title 70. Schools

##### Chapter 1 - School Code of 1971

##### Article Article VII - Annexation and Consolidation

##### Section 7-101.1 - Rules and Regulations to Accomplish Mandatory Annexation or Consolidation - Notice

Cite as: O.S. §, \_\_\_\_

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A. The State Board of Education shall be authorized to promulgate rules and regulations regarding the procedures necessary to accomplish mandatory annexation or consolidation, as provided by and within the requirements of the provisions of Sections 2, 8, 9, 10, 11, 12 and 13 of this act, and as otherwise provided by law.

B. In any case where mandatory annexation of a school or school district is recommended by the State Department of Education, the Department shall notify, in writing, the board of education of the school district involved. Upon receipt of the notification, the school district board shall have fifteen (15) days to request an opportunity to appear before the State Board of Education. If the school district board fails to request an opportunity to appear, the State Board shall proceed without further notice or delay, to conclude the matter. If an opportunity to appear is requested by the school district board, the State Board shall decide the issues after hearing from representatives of the school or school district and the State Department and shall make a final determination on the recommendation of the Department.

#### ***Historical Data***

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Laws 1989, 1st Extr. Sess., HB 1017, c. 2, § 12, eff. April 25, 1990.



### **210:1-3-2. Annexation, consolidation, dispensation, and severance determination**

(a) **State Board of Education role.** The State Board of Education's role is: to receive and implement an order from the State Superintendent which declares that all or part of a district has been voted to be annexed, following statutory requirements, to adjacent or transporting district(s); to decide on the division of assets and property of a disorganized district in the event the problem cannot be resolved by the boards of annexing districts; and to set standards, promulgate rules and procedures, and conduct studies relating to the consolidation of two or more adjacent school districts. [70:7-105 & 106]

(b) **Mandatory annexation.**

(1) Mandatory annexation will be considered by the State Board of Education upon occurrence of the following situations:

(A) When a school district has been declared "academically at-risk" pursuant to 70 O.S. 1989, §1210.541.

(B) When a school district is nonaccredited by the State Board of Education.

(C) When a district, without officially dispensing with school, fails to open or maintain a school (except when situations beyond the control of the district cause a normal delay). [Title 70 O.S. § 8-106].

(2) When it comes to the attention of the State Board of Education that a local school district is facing the possibility of mandatory annexation, the State Board of Education shall provide the district with an opportunity to be heard. The State Board of Education shall notify the superintendent and each school board member of the time, date and place of the meeting. At the meeting, representatives of the school district, including patrons, shall have an opportunity to address the State Board of Education and to provide information to the Board. The President of the State Board of Education may set time limits on individual presentations and may require groups to select a representative to speak on behalf of the group.

(3) When the State Board of education determines that a local school district is to be mandatorily annexed, the following steps will be followed:

(A) The Board will notify one or more of the potential receiving districts that they are responsible for taking an inventory of property and securing the buildings and other property of the district being mandatorily annexed. In selecting the district(s) responsible for this procedure, the State Board of Education may rely on recommendations from the State Superintendent.

(B) The State Board of Education will immediately notify the district superintendent of the Board's action.

(C) The state superintendent shall notify the parents or legal guardians of all students in the district being annexed that they must apply for a transfer to the state superintendent within 10 days of the State Board of Education's action to annex. The state superintendent may require the parents to furnish a legal description of their residence at the time the transfer request is made.

(D) Once the state superintendent has received the transfer requests, she/he shall notify the State Department of Education, in writing, of the breakdown of where students are asking to attend school by transfer and provide the State Department of Education with the legal description of the residence of each student.

(E) The State Department of Education will utilize the transfer requests and legal descriptions submitted to the state superintendent as a guide in plotting the proposed boundary lines for dividing the annexed district. To the maximum extent possible, the preference of the students and parents shall be acknowledged.

(F) The State Department of Education will present the proposed boundary lines for division of the annexed district to the State Board of Education for approval. The proposal shall be accompanied by the legal description of the property being annexed.

(G) The assets and liabilities of the annexed district shall become part of the annexing districts. When an annexing district assumes a debt incurred by the annexed district prior to July 1, the district assuming the debt should receive a comparable portion of the assets.

(H) When two or more annexing districts are involved in the division of an annexed district, the assets and liabilities are divided by agreement between the boards of education. If the boards of education are unable to agree, the matter shall be divided by the State Board of Education.

(c) **Consolidation of school districts.**

(1) A petition by the board of education of any school district desiring a study of the consolidation of such school district with another school district or districts, or proposing such consolidation, shall be signed by the president and clerk of such board of education, and such petition shall be considered by the State Board of Education at its next regular meeting. If a study of the proposed consolidation is deemed proper and advisable, the Secretary of the State Board of Education shall forthwith advise the boards of education of all districts involved that a study of the proposed consolidation is going to be made.

(2) The State Board of Education reserves the right to make a study of the advisability of consolidating two or more school districts in any area of the State, on its own initiative, and without any petition from a board of education. When such decision is made, each school district involved shall forthwith be advised that such study is going to be made, and such

districts shall be directed to determine, by such procedures as the State Board of Education may prescribe what, if any, consolidation should be carried on in the area under study.

(3) All studies of the advisability of consolidation shall be under the direction of the President of the State Board of Education, who shall utilize the services of appropriate divisions of the State Department of Education.

(4) If after a study of the population, wealth, terrain, trade areas and other pertinent factors, it is determined that two or more school districts should be consolidated, the board of education of each school district involved shall be so advised.

(5) No election to determine consolidation shall be called or held unless there shall have been filed with the State Board of Education a petition therefore, signed by a majority of the school district electors of each school district included in the proposed consolidation. When such a petition is received and is determined to be sufficient, the State Board of Education shall call an election for the purpose of affording to the school district electors in the school districts involved an opportunity to express their wishes through a majority vote of the school district electors in the entire territory involved. Notice of such election, stating the time and date thereof and the polling places, shall be posted in five (5) public places in each school district involved, not less than ten (10) days before date of such election. Such election shall be conducted by one or more members of the State Department of Education, as designated by the President of the State Board of Education.

(6) If a majority vote at such election is in favor of consolidation, the State Board of Education shall issue a written order to such effect, declaring the participating school districts dissolved and the new school district established. Copies of such order shall be sent to the county treasurer, county assessor and the county clerk of each county in which the districts involved are situated, and to the Oklahoma Tax Commission, and to the board of education of each school district involved. If a majority vote at such election is not in favor of consolidation, the State Board of Education shall make a written order to such effect, and shall send a copy thereof to the board of education of each school district involved.

(7) The local board of education members representing the school district having the largest number of enumerated children shall serve as board members of the newly-formed school district for the remainder of their term.

(8) All liabilities, assets, powers and duties shall become the responsibility of the newly-formed school district.

**(d) Dispensing with a school district.**

(1) Should residents of a district desire to dispense with all or part of this school district, it is the duty of the State Superintendent to notify the State Board of Education of a majority vote of eligible electors at an annual or special election or by a petition signed by sixty (60) percent of eligible school district electors to dispense with either grades 1 thru 8 or grades 9 thru 12, or both, and such procedure shall be accomplished prior to June 30. Subsequently, parents of such children in the dispensed grades should file an application transfer for the ensuing year with the State Superintendent. Any district which dispenses with its entire school district for the ensuing year shall be mandatorily annexed on July 1 by the State Board of Education to an adjacent school district(s) to which pupils have been transferred.

(2) Provided that if a school district does not officially dispense with its school following the preceding procedure and fails to open and maintain a school during such ensuing year, the State Board of Education, except as otherwise provided, shall at its next regular meeting annex such district, as provided by law. [70-8-106]

**(e) Severance determination.** Pursuant to 70 O.S. §7-203(B), the State Board of Education may promulgate rules regarding its authority to budget and make expenditures of monies contained in the School Consolidation Fund. School Consolidation Funds can be used by annexing or consolidating districts to provide employment assistance in the form of severance for school district employees who are dismissed due to annexation or consolidation under 70 O.S. §7-203(B)(1)(c). The procedure for employees to make a severance application and process to receive a severance determination shall be communicated to all affected employees by the annexed or consolidated district superintendent. The severance application process is as follows:

(1) To qualify for severance, district employees (teachers, administrators, and support personnel) must first seek severance allowance from the annexing or consolidating district(s) prior to making application to the State Department of Education.

(A) Any annexing or consolidating school district(s) that receive School Consolidation Funds must accept and consider all requests for severance made by district employees who were dismissed due to annexation or consolidation, but not subsequently employed by the consolidating or annexing district(s).

(B) The annexing or consolidating district(s) may elect to award qualifying employees a severance in an amount up to and not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe benefits.

(C) Severance allowance from the annexing or consolidating district(s) is permissive in any amount from 0% to 80% of the individual's salary or wages, exclusive of fringe benefits, for the school year preceding the consolidation or annexation.

(D) For the purposes of calculation, the district(s) shall include only the salary or wages actually paid to the employee for the school year preceding the consolidation or annexation.

(E) Applications for severance shall be considered on an individual case by case basis.

(F) Each district shall promulgate their own rules and procedures for accepting, reviewing, and awarding severance. The criteria used for awarding severance must be measurable, objective, non-discriminatory, and uniformly applied.

(2) If the annexing or consolidating district makes an award of employment assistance in the form of severance, the district employee will not be eligible to make application to the State Department of Education for severance allowance unless the employee has also been denied unemployment compensation.

(3) Unemployment benefits received by any district employee dismissed due to annexation or consolidation may be counted as a form of employment benefit under 70 O.S. §7-203(B)(1)(c). Unemployment compensation may be considered as part of the total employment assistance received and may be taken into account or offset when severance allowance determinations are made.

(4) If a district employee is not employed by the annexing or consolidating district(s) and is subsequently denied severance or unemployment compensation by the annexing or consolidating district(s), pursuant to 70 O.S. §7-203(B)(1)(c), the district employee will be eligible to make an application for severance to the State Board of Education. Qualifying applicants shall receive a severance allowance from the State Board of Education pursuant to the following procedure:

(A) Severance allowance from the State Board of Education shall be in an amount up to and not to exceed eighty percent (80%) of the individual's salary or wages, exclusive of fringe benefits. An award of a severance allowance by the State Board of Education will be made only if:

- (i) the applicant was not employed by the consolidating or annexing district and
- (ii) severance or unemployment compensation was denied at the district level.

(B) Severance allowance from the State Department of Education can be in any amount from 0% to 80% of the individual's salary or wages, exclusive of fringe benefits, for the school year preceding the consolidation or annexation.

(C) For the purposes of calculation, the State Department of Education shall include only the salary or wages actually paid to the employee by the district for the school year preceding the consolidation or annexation.

(D) Only timely applications for severance received by the State Department of Education, Finance Division, will be considered. All applications for severance to the State Department of Education must be received no later than September 1 of the fiscal year immediately following the fiscal year in which the annexation or consolidation occurred. The application for employment assistance in the form of severance can be found on the SDE website, [www.sde.ok.gov](http://www.sde.ok.gov), or by contacting the State Department of Education, Finance Division.

(5) Severance allowance by the State Department of Education can be denied only for good cause with supporting documentation of the following:

(A) The applicant was hired by the consolidating or annexing district(s), regardless of the number of hours, part time or full time status, or rate of pay.

(B) The applicant was dismissed or non-reemployed by the local school district board for reasons other than consolidation or annexation (i.e. reduction in force or inability to pay due to financial exigency),

(C) The applicant received severance from the consolidating or annexing district(s) and in addition to unemployment compensation,

(6) Severance allowance by the State Department of Education can be reduced or adjusted below eighty (80%) percent of the applicant's salary or wages, excluding fringe benefits, for good cause with supporting documentation. Good cause to reduce or adjust severance can include, but is not limited to, consideration of the following:

(A) The annexation or consolidation was mandatory rather than voluntary.

(B) The applicant's length of service to the district.

(C) The applicant's service record, job performance, or conduct warrants consideration of a reduction or adjustment in severance. The application of this criteria must be supported by verifiable documentation and evidence that is made available for the Board's review.

(D) The applicant was hired by the local school board after the annexation or consolidation election results are called by the State Superintendent of Public Instruction.

(E) The applicant was hired by the local school board after the State Board of Education voted to non-accredit the district.

(F) The applicant failed to apply for or make an attempt to gain employment with the consolidating or annexing district(s).

(G) The applicant failed to apply for or attempt to obtain a severance allowance from the consolidating or annexing district(s).

(H) The applicant received unemployment compensation. The amount of unemployment compensation received can be considered an offset when determining severance.

(7) Severance Determinations. Upon receiving the application for severance the State Department of Education, Finance Division staff shall review the applications for severance and make a written recommendation to the State Board of Education regarding each severance application. Each severance application will be considered on an individual case by case basis and a recommendation for severance allowance or denial will be made by the SDE staff to the State Board of Education in writing during a regularly scheduled Board of Education meeting.

(A) The applicant will be notified of the SDE staff recommendation and will be given written notice of the time, place, and date of the regularly scheduled State Board of Education meeting that the Board will consider and voting upon the SDE staff recommendation for severance.

(B) The State Board of Education will vote on all SDE staff recommendations for severance in open meeting. All votes of the State Board of Education approving or denying a severance application will be considered a final order

of the Board.

(8) The applicant will be notified in writing of the State Board of Education's final determination regarding severance allowance. The applicant will have ten (10) days from the date the notification of severance determination is received within which time to file a petition for appeal or reconsideration of the Board's determination.

(9) Any petition, reconsideration, or hearing on the Board's final order regarding severance shall be made pursuant to, and governed by, the Due Process Procedures of the State Board of Education as outlined in 210:1-5-1 of the Oklahoma Administrative Code.

(f) **Guidelines and forms.** Copies of corresponding State Department of Education forms and guidelines for the implementation of annexations/consolidation and severance are available from the consolidation officer of the State Department of Education.

[Source: Amended at 11 Ok Reg 1973, eff 5-26-94; Amended at 29 Ok Reg 965, eff 6-26-12]